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TO: **Economic Support Supervisors
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FROM: Amy Mendel-Clemens
Bureau of Health Care Eligibility
Communications Section

BHCE/BWP OPERATIONS MEMO

No.: 03-05

Date: 01/2003

Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: HIGH

SUBJECT: **Medicaid Average Nursing Home Private Pay Rate**

CROSS REFERENCE: MA Handbook 14.5.0

EFFECTIVE DATE: January 1, 2003

PURPOSE

This Operations Memo provides the updated average nursing home private pay rate.

BACKGROUND

The average nursing home private pay rate is used to determine the length of Medicaid divestment penalty periods. The divested amount is divided by the average nursing home private pay rate and the whole number quotient of that equation is the number of months that the individual is penalized for the divestment from the month of divestment.

Survey of Nursing Homes, which was The average nursing home private pay rate is derived from data presented in the annual report, "Wisconsin Nursing Homes and Facilities for the Developmentally Disabled". This report summarizes statistical information about Wisconsin nursing homes and their residents. The source of the data in this report is the 2001 Annual survey of nursing homes, which was conducted by the Wisconsin Department of Health and Family Services, Division of Health Care Financing.

DISCUSSION

To determine the average private pay rate for nursing homes in Wisconsin, we consider the private pay daily rate at the four most common levels of care. We take into account the number of residents at each level of care as of December 31, 2001 to arrive at a weighted average. The average daily rate is then converted to a monthly amount.

	Per Diem Cost	Residents on 12/31/01	Weighted Average	
Intensive Skilled Nursing	\$163	169	27,547	
Skilled Nursing Facilities	\$150	7,974	1,196,100	
Intermediate Care Facilities	\$138	607	83,766	
Limited Care Facilities	\$128	46	5,888	
Totals		8,796	1,313,301	\$149.31
Weighted Average Private Pay Cost/Month				\$ 4,541.41

NEW AMOUNT

The new average nursing home private pay rate is \$4,542.00. Beginning January 1, 2003, use the new amount when determining all new divestment penalty periods. Some recalculation may be necessary to incorporate the new figure for determining divestment penalty period in the period from January 1, 2003 until this Ops Memo is released.

Please make write-in changes in your MA Handbook in the appropriate places in 14.5.0. A revision will be made in a future release.

CARES

A CARES reference table change has been made to use the new amount for divestment penalty calculations beginning January 2, 2003.

CONTACTS

BHCE CARES Information & Problem Resolution Center

Email: carpolcc@dwd.state.wi.us
 Telephone: (608) 261-6317 (Option #1)
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Note: Email contacts are preferred. Thank you.

DHFS/DHCF/BHCE/JU